Testimony of
George H. Sheldon, Secretary
Florida Department of Children and Families
Before the
Subcommittee on Income Security and Family Support
House Committee on Ways and Means
State Use of Title IV-E Child Welfare Demonstration Projects
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Chairman McDermott, Ranking Member Linder and members of the Committee, I am pleased to appear before you this morning to provide information on Florida’s use of our Title IV-E child welfare demonstration waiver and how this waiver has played an important role in transforming child welfare services in our state. I am George Sheldon, Secretary of the Florida Department of Children and Families. Our agency administers a number of human services programs including child welfare, child protection, substance abuse, mental health, domestic violence, adult protective services, Temporary Assistance for Needy Families, Supplemental Nutrition Assistance and Medicaid eligibility.

Florida was granted a title IV-E waiver on March 31, 2006 and when I came to the Department in January 2007 as Assistant Secretary, implementation of the waiver was in its very early stages. Under Governor Charlie Crist, Secretary Bob Butterworth, and with the strong support of our community-based partners, we made successful implementation of the waiver one of our highest priorities. For the past two years, as Secretary, I have continued to make this a key focus of our child welfare program.

During my tenure, my most trusted teachers and advisors have been the children and youth who have been in foster care. Early in our administration, I met a group of former foster youth for dinner. I expected a brief visit, and it turned into more than two hours of intense discussion. I have met with these remarkable young people often and, as much as I respect the knowledge of the professionals in child welfare, I have learned more about foster care from these young adults than all the experts. These young adults have convinced me that we should never bring a child into care when there is a safe alternative and that the reforms we have taken offer the best hope for our children. There is also substantial research that supports the belief that children do best when they are safely supported in their own homes and communities.

We have established a goal to reduce the number of children in out-of-home care by 2012, not as an arbitrary number, but because we believe that we can improve safety and permanence for children by creating the conditions that support that goal.
RESULTS SO FAR

The results have been remarkable. We have safely reduced the number of children in out-of-home care by 36 percent while setting achieving record-setting levels of adoptions and permanent guardianships.

- In December 2006 there were 29,255 children in out-of-home care in Florida. That number has declined by more than 10,000 and now stands at less than 19,000 children.

- Over 12,000 children have been adopted in the last three and a half years and last year, we received the largest adoption incentive bonus of any state, $9.75 million. On the federal measures on adoption, Florida is ranked number one in the country.

- Our community-based child welfare agencies have implemented many innovative practices to support and strengthen families. Before the IV-E waiver, we spent $7.96 on out-of-home care for every dollar we spent on in-home services, family preservation, prevention and diversion. By 2009, this ratio had dropped from $7.96 to $3.60, signaling a significant shift in focus.

- Most importantly, child safety has improved and our performance on the national outcome measure for the absence of the recurrence of abuse has improved significantly since implementing the waiver.

The IV-E waiver has allowed us to align our program goals with program funding. If children can safely remain at home through provision of intensive in-home services, this is a much more effective strategy. Where children cannot safely remain at home, family-centered practices are used to speed reunification whenever possible. In situations where home is never going to be a safe place, we move rapidly to help the child move to a permanent family through adoption or guardianship, often with relatives.

Our bottom line in Florida is that no child should grow up in foster care. We have not yet fully achieved that goal, but we are making extraordinary progress.

COMMUNITY-BASED CARE

Our path to reform did not begin with the IV-E waiver. Over the past decade, Florida has transformed its approach to child welfare through contracting with community-based care lead agencies. These not-for-profit organizations are led by strong community boards of directors representing key stakeholders in their respective communities. These include business leaders, leaders in the volunteer community, guardians ad litem, law enforcement officials and representatives of local government.

These 20 lead agencies provide child welfare services throughout the state of Florida and are essential to ensuring our services are effectively integrated into the fabric of our local communities. The agencies were an integral part of the team that developed our waiver program and have continued to work in close coordination with the department during waiver implementation.
We have taken the flexibility provided by the waiver and provided many examples of innovative
practice throughout the state. These include:

- Expanded use of family team conferencing and other family-centered practices.
- Integration of domestic violence prevention, mental health and substance abuse treatment
  with child welfare practice.
- Expanded use of Family Finding to improve permanency.
- Establishment of resource/diversion specialists so that child protective investigators can
  have immediate access to services to prevent unnecessary removal of children from their
  homes.
- Foster parent mentoring and other strategies to improve the recruitment and retention of
  foster parents, and
- Specialized parent skill development to improve family functioning, with special
  emphasis on families with children age 10 to 18 with extreme emotional or behavioral
  problems.
- Intensive in-home support services to assure that families have the support necessary to
  be successful.

THE WAIVER IN BRIEF

Florida’s IV-E waiver is a statewide flexible funding demonstration. The waiver allows federal
foster care funds to be used for a wide variety of child welfare purposes rather than being
restricted to out-of-home care, as is normally the case without a waiver.

In exchange for the flexibility in the use of funds, Florida receives a defined amount of federal
funds over a five year period. We receive a small annual increase based on projections of what
the state would have received in the absence of the waiver. Funding does not change if out-of-
home care costs increase or decrease. Adoption assistance funds continue to be earned on a
matching basis, but are subject to an aggregate cost neutrality cap over the five year
demonstration period.

The waiver terms and conditions specify that the state must invest any savings in improving the
child welfare program, regardless of whether those savings are in federal or state funds.

Florida, like many states, has faced extreme budget stress in the past few years. In spite of the
very difficult budget environment, the Florida Legislature has been steadfast in respecting the
commitment made in the waiver not to take funds away from child welfare as out-of-home
caseloads have fallen. This is clear evidence of the significance of the program, recognition of
the results achieved under the waiver.

WAIVER IMPLEMENTATION HAS SPURRED REFORM

Florida’s implementation of the IV-E waiver has been a catalyst for many other reforms.
Florida leaders have participated in the National Governors’ Association policy academy on
safely reducing the number of children in foster care, and we have received important technical assistance and financial support from Casey Family Programs. Our waiver has allowed us to maximize these resources, as well as other private support since we can respond more flexibly. As we have implemented the waiver, we have also successfully implemented a new State Automated Child Welfare Information System and made important improvements in the use of technology to support front line case managers.

We have recently begun deployment of mobile solutions to improve accountability and service in child welfare. Working with our community-based partners we now have applications for laptops, tablet computers and blackberry devices to allow caseworkers to record their visits directly into our computer system from the field. These applications record the time and location of visits, through GPS coordinates, and require pictures of children visited. This way we can assure that children are being seen, and caseworkers can enter their notes much more efficiently, giving them more time to focus on the service needs of families.

While these innovations did not require a waiver, they were borne from a climate of innovation fostered by the waiver, and the collaborative environment it inspired.

**INDEPENDENT EVALUATION**

Florida’s IV-E child welfare waiver is being evaluated by the Florida Mental Health Institute at the University of South Florida.

The evaluation design is centered around four hypotheses:

- Fewer children will need out-of-home care.
- There will be improvements in child outcomes, including permanency, safety, and well-being.
- The waiver will lead to changes in or expansion of the existing child welfare service array based on the unique needs of communities.
- There will be a decrease in the proportion of expenditures on out-of-home care and an increase in the proportion of expenditures on prevention and in-home services.

The evaluators have periodically published findings throughout the course of the demonstration. In addition to the longer formal evaluation reports, they have published two evaluation briefs, the most recent being published in January of this year. Key findings from this evaluation brief include:

- Since Waiver implementation during SFY 06-07, the number of children served (both in-home and out-of-home) has decreased by 29%. Specifically related to this hypothesis, there has been a significant reduction (27.6%) in the average number of children served in out-of-home care during this period. (Note: reductions have continued since the period covered by this report).
• Compared with SFY 07-08, there was a significant increase in the number of children reunified or placed with relatives. Among youth that exited care during SFY 07-08, the average proportion of children who reentered out-of-home care within 12 months after their discharge was 9.6%, indicating a significant reduction when compared to SFY 06-07.

• Since implementation of the IV-E Waiver, all of the CBC lead agencies have reported an expansion of their service array. In addition, several innovative practices have been identified that have been implemented or expanded since the Waiver.

• There have been notable changes in the composition of spending statewide since the Waiver was implemented. Total spending on front-end services has increased dramatically from pre-Waiver to the second full year after Waiver implementation. After adjusting for inflation, front-end service expenditures nearly doubled during that time, rising from 3.3% of total expenditures in SFY 05-06 to 6.1% in SFY 08-09. Additionally, licensed out-of-home care expenditures have steadily decreased since Waiver implementation, both in total and compared to relative spending on front-end services.

**FUTURE PLANS AND RECOMMENDATIONS**

Florida’s IV-E waiver expires on September 30, 2011. We believe the waiver has been a catalyst for remarkable changes in child welfare in our state, but there is still much work to do. We are committed to continuing reform and we have requested that the Administration for Children and Families extend the waiver for five additional years. We are also examining ways that new options available under the Fostering Connections to Success and Increasing Adoptions Act can augment and support further reform.

Extending the waiver is the only way we can continue our reforms under current law. While our demonstration is not yet finished, we believe the lessons we have learned point the way to urgently needed reforms in child welfare.

We strongly recommend that the Congress consider fundamental reform in how child welfare programs are financed so that all states might have the option to implement the types of changes we have seen, and hope to continue with an extension of the waiver. Today, in the absence of a waiver, the goals of child welfare and the funding restrictions of title IV-E are seriously in conflict. States should be able to implement policies and practices that support and strengthen families without sacrificing critical federal support. Our service strategies should start with the challenges and opportunities facing families instead of trying to fit families into a rigid category that might not fully promote the goals of safety, stability and permanency for children. Foster care should be a temporary haven for children when necessary to protect their safety, but permanent loving homes must be the goal for all children.